



European Midcap Event Geneve
December 2019

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A global player in three businesses

Outdoor Power Equipment



Pumps & High Pressure Water Jetting

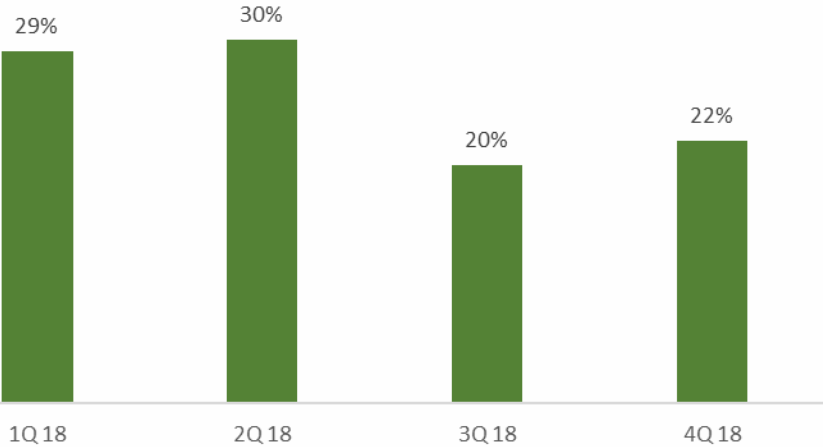


Components & Accessories

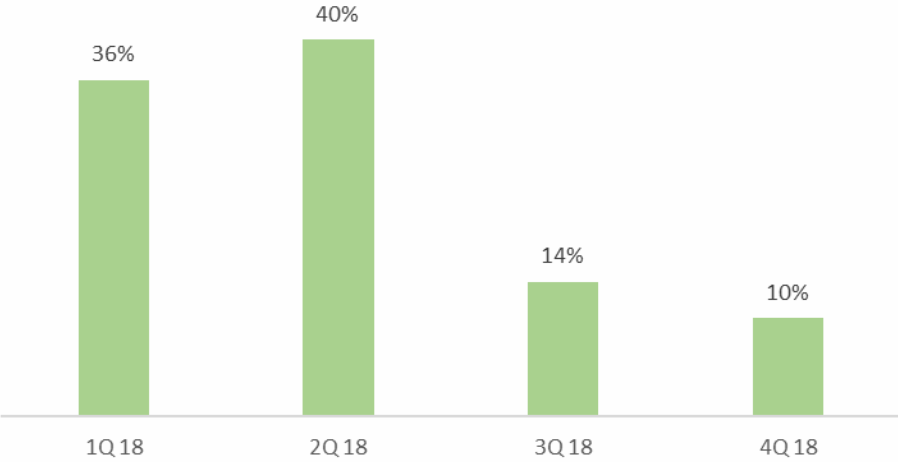


Direct presence in 14 countries
Distribution network in five continents
Efficient production footprint
2,000 employees

Net sales by quarter 2018

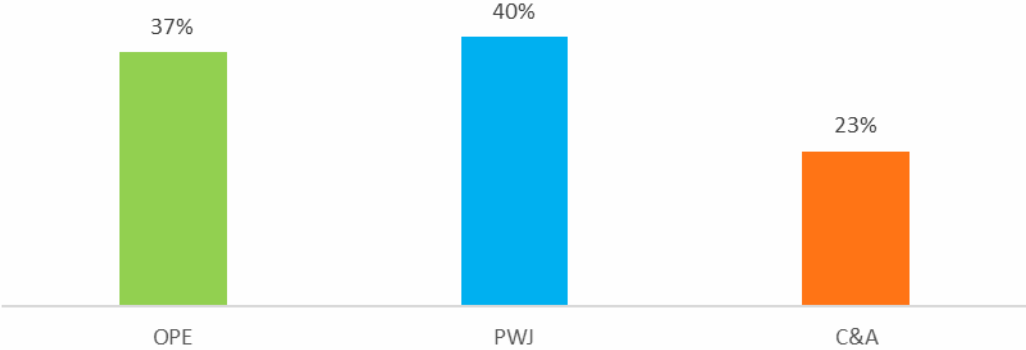


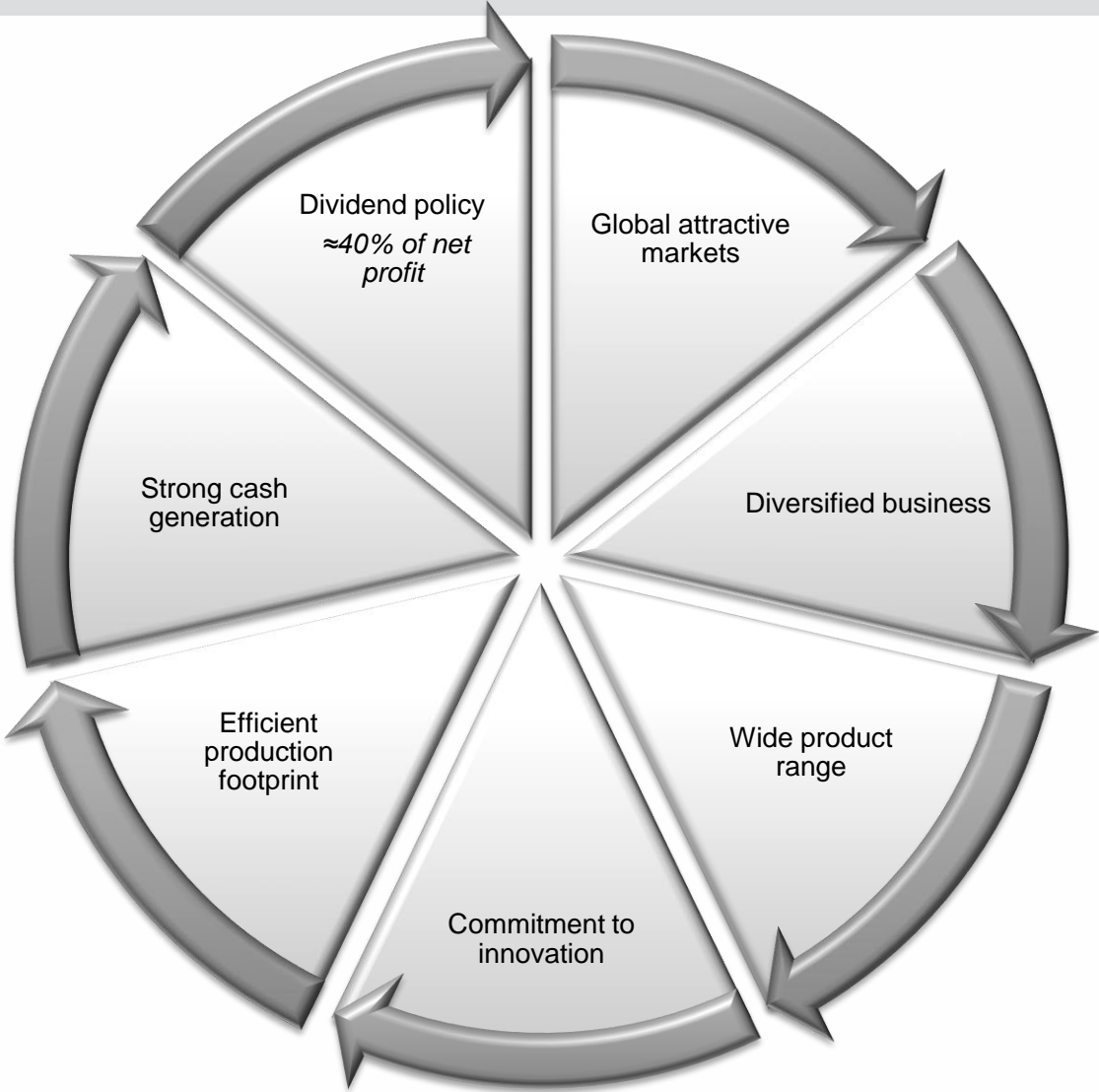
EBITDA adj. by quarter 2018



Group's business is seasonal: 59% of sales and 76% of EBITDA in 1H

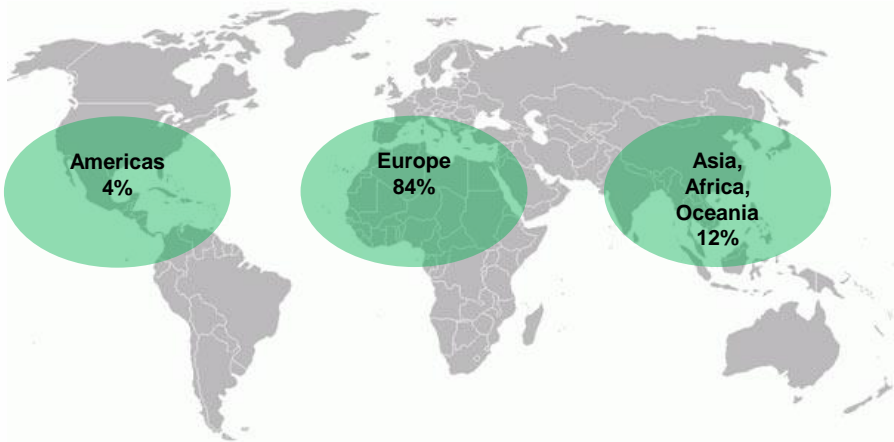
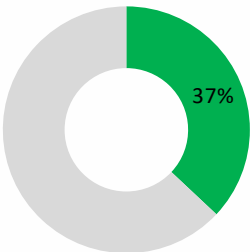
Sales by business segment





	FY 2018
Total Sales (€m)	167
Ebitda adj %	8.2%

Share of Group net sales



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Hand held products: trimmers, chainsaws, blowers. Wheeled products: lawnmowers, garden tractors, tillers, transporters. Accessories and spare parts 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumer) 	<ul style="list-style-type: none"> Specialised dealers 	<ul style="list-style-type: none"> Product innovation Distribution network Cost and efficiency improvements

GARDENING & FORESTRY



AGRICULTURE



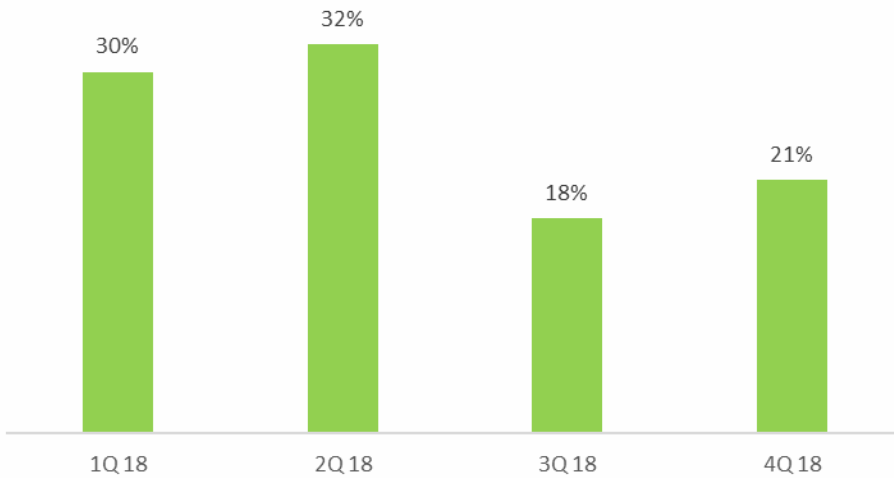
Addressable market
value €m

8,000

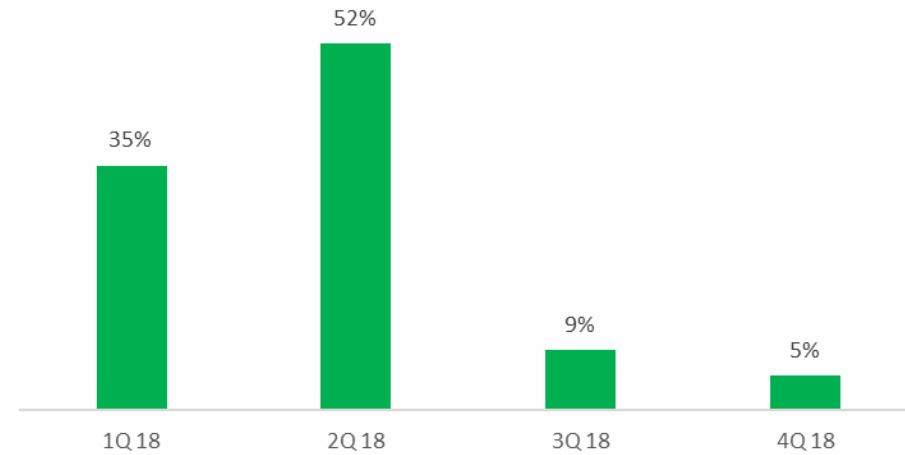
Market share

2%

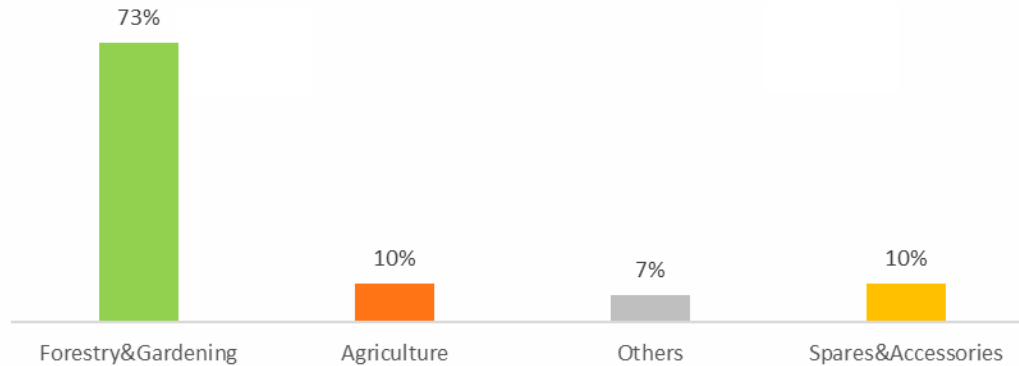
Total sales by quarter 2018



EBITDA adj. by quarter 2018

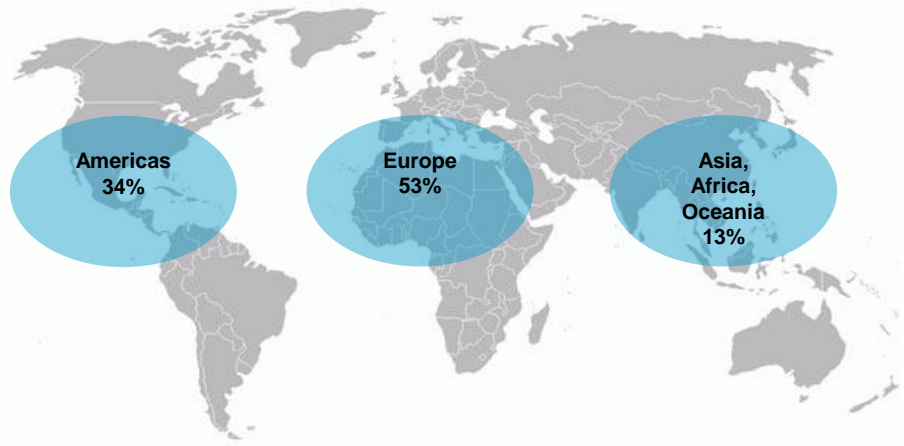
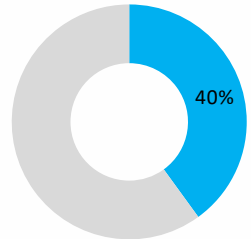


Sales by product line



	FY 2018
Sales (€m)	185
Ebitda adj %	14.1%

Share of Group net sales



Main brands	Product range	Application / End user	Clients / distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Agriculture products: diaphragm, centrifugal and piston pumps Industrial products: piston pumps, hydrodynamic units and urban cleaning equipment. Cleaning products: complete range of high pressure washers, floor care equipment 	<ul style="list-style-type: none"> Agriculture: spraying and weeding Several industries: <ul style="list-style-type: none"> ✓ Oil & gas ✓ Sugar cane ✓ Shipyard ✓ Cleaning Professional Hobby 	<ul style="list-style-type: none"> Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers, contractors, independent distributors Specialised dealers and DIY 	<ul style="list-style-type: none"> Product innovation Cost and efficiency improvements Maximize synergies from acquisitions Focus on key attractive segments

AGRICULTURE



Addressable market value €m	Market share
100	30%

INDUSTRIAL



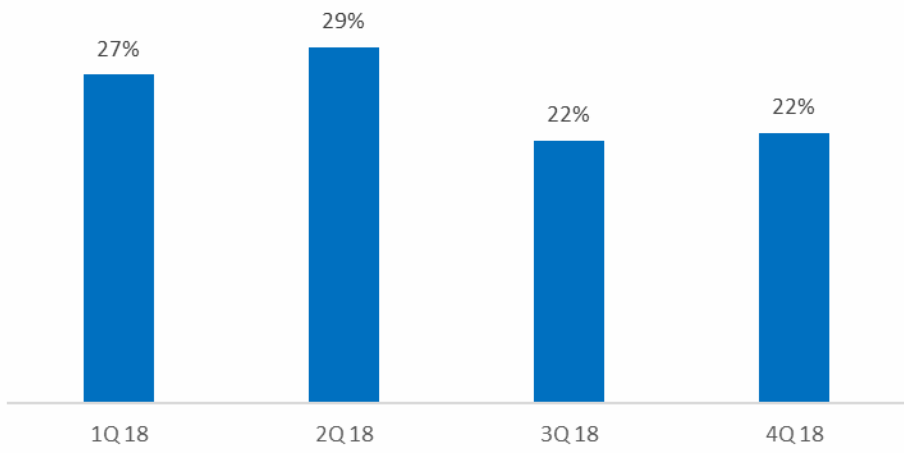
Addressable market value €m	Market share
1,000	4%

CLEANING

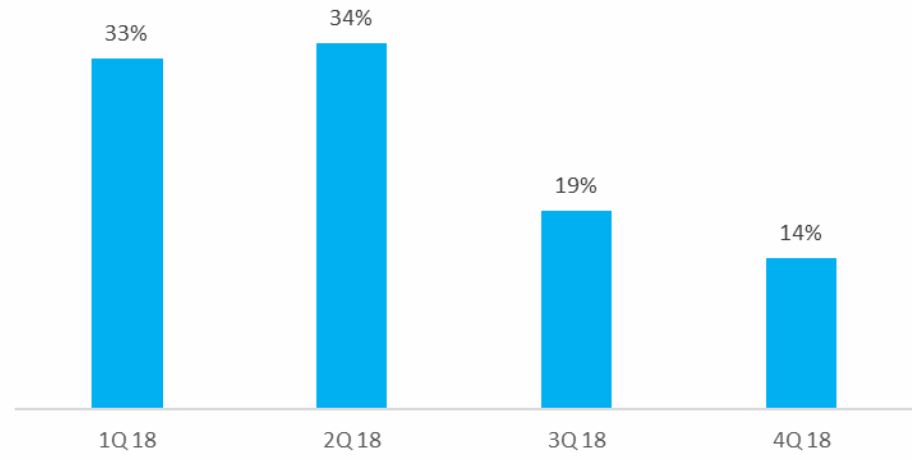


Addressable market value €m	Market share
2,000	5%

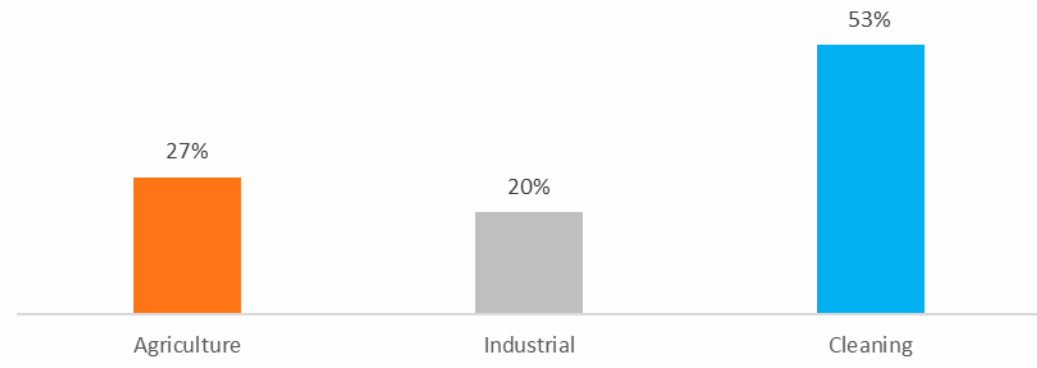
Total sales by quarter 2018



EBITDA adj. by quarter 2018

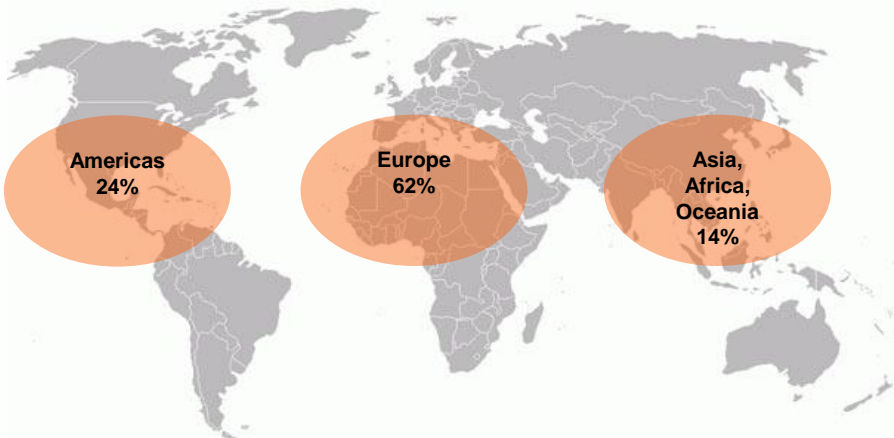
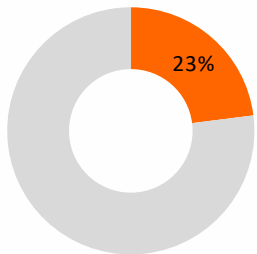


Sales by product line



	FY 2018
Sales (€m)	112
Ebitda adj %	13.2%

Share of Group net sales



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Nylon line and heads for trimmers Chain grinders Spray guns Nozzles Control systems 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumers) 	<ul style="list-style-type: none"> Outdoor Power Equipment manufacturers Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers Specialised dealers and DIY 	<ul style="list-style-type: none"> Product innovation Strengthening of OEM relations Focus on key attractive segments

GARDENING & FORESTRY



AGRICULTURE



CLEANING

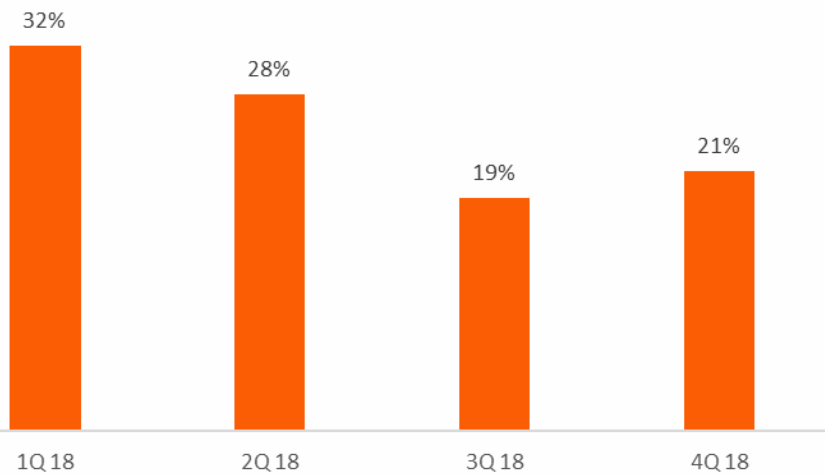


Addressable market value €m	Market share
450	10.6%

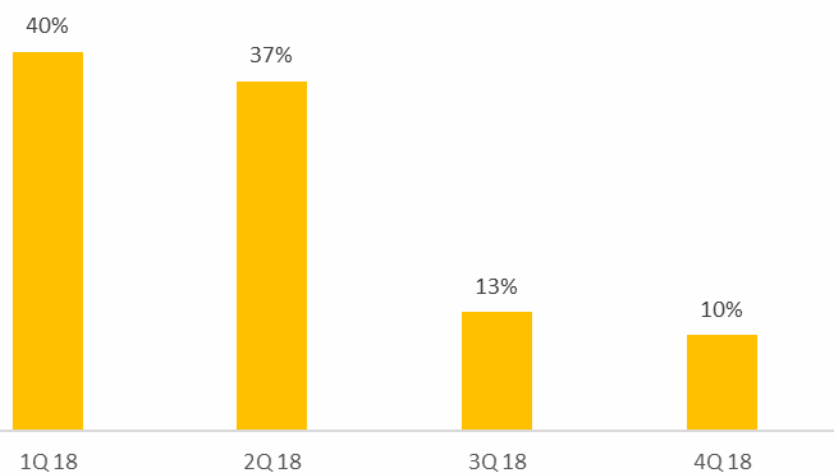
Addressable market value €m	Market share
600	2.5%

Addressable market value €m	Market share
500	6%

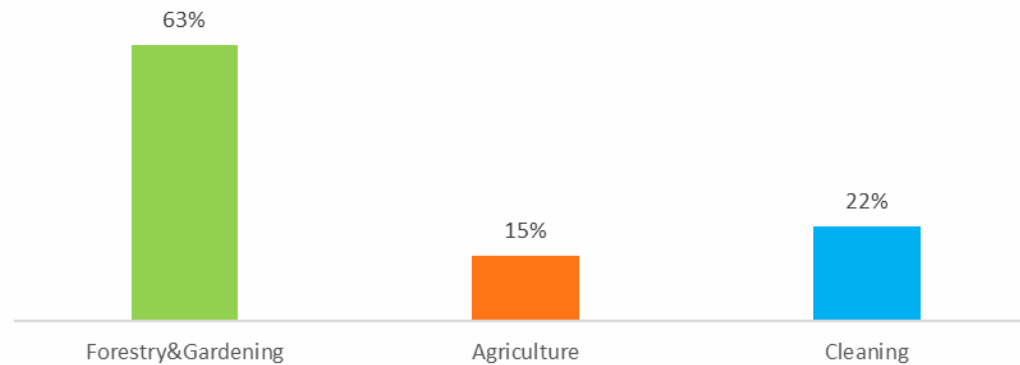
Total sales by quarter 2018

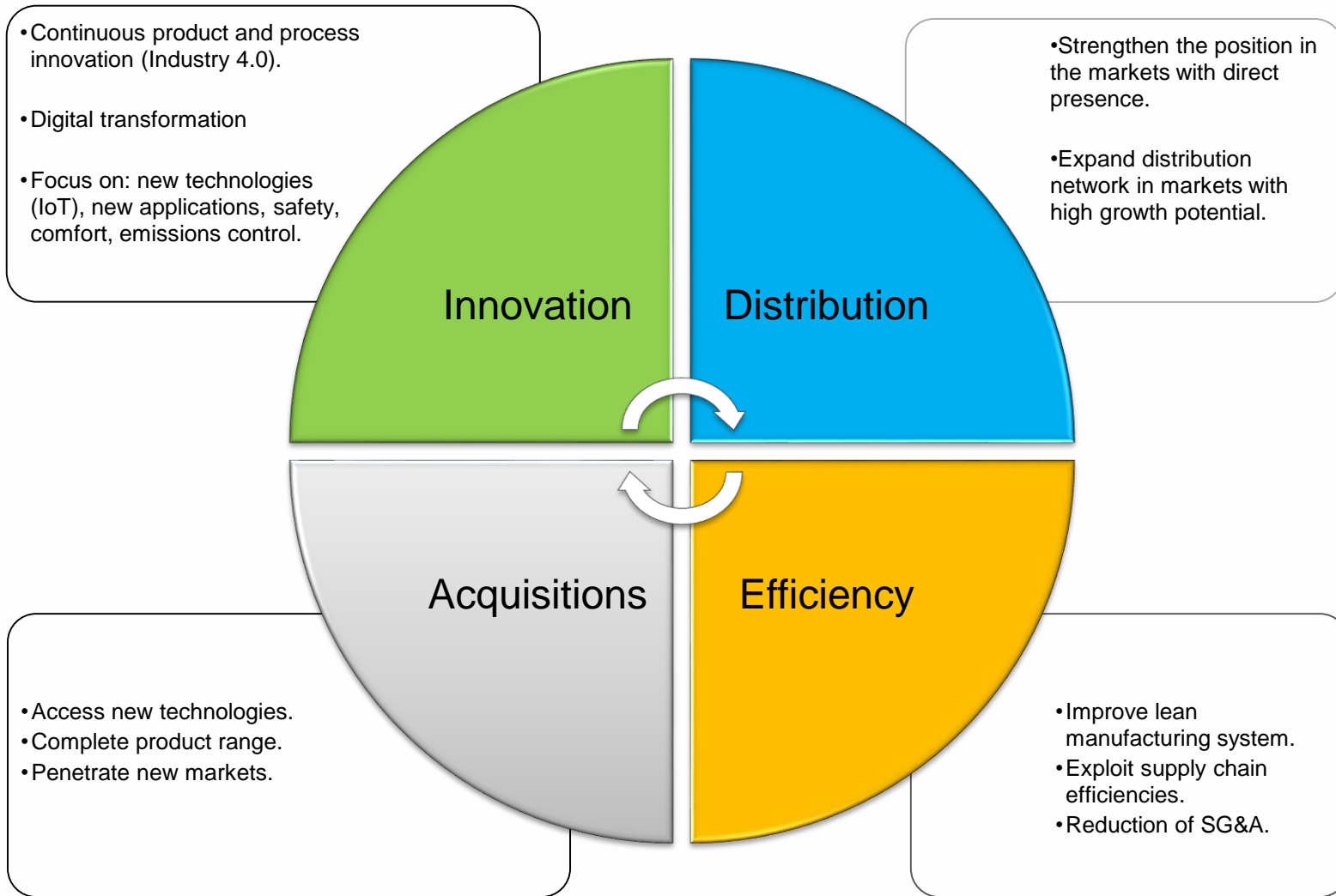


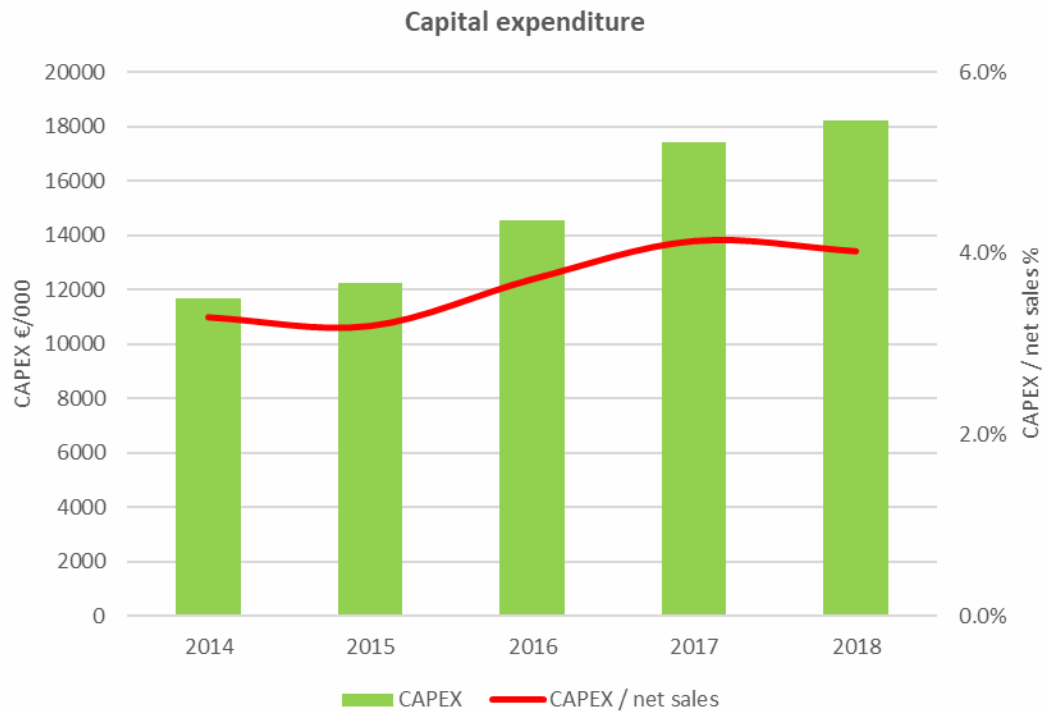
EBITDA adj. by quarter 2018



Sales by product line







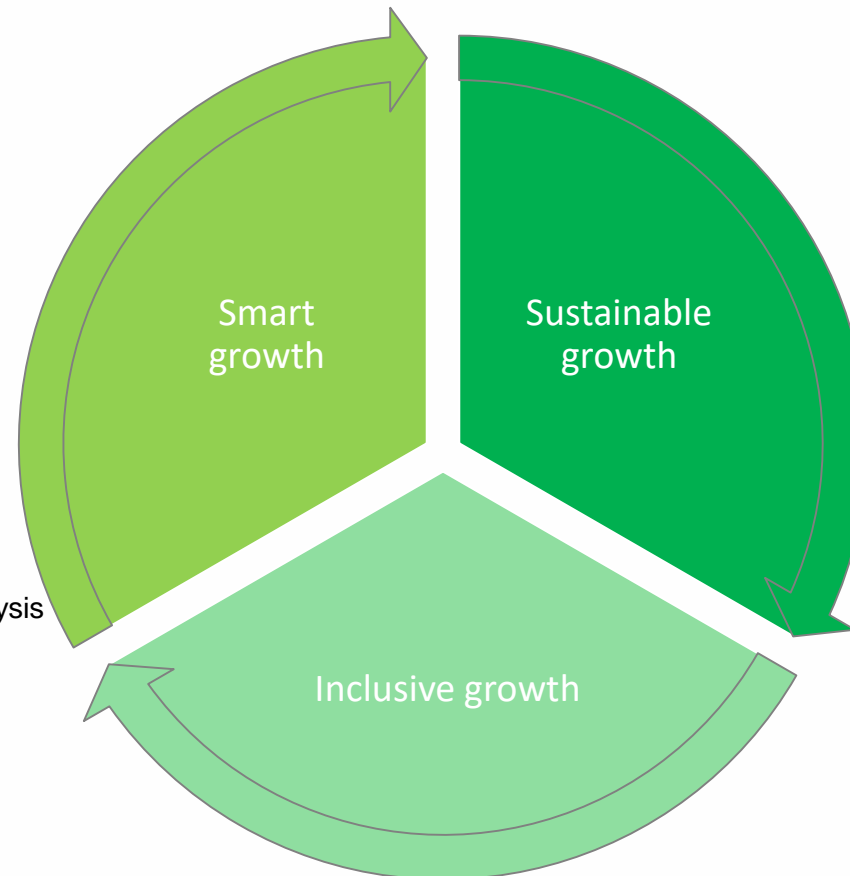
Product and process innovation represents more than 60% of total capex:

- New technologies
 - Battery products
 - Engine management
- Product efficiency and ergonomics
- Emission control
- Digitalization
 - IoT
 - Connectivity
 - Simulation software

- For home owners and landscapers
- Ideal for maintenance of parks and gardens
- Environmental friendly
- Less noise
- Zero emission
- Easy to use



Forecast optimization through data mining and predictive maintenance of machines



Smart growth

- Data mining from big data to smart data for know-how growth for all company departments
- Integration with smart city

Sustainable growth

- Machines managed with predictive maintenance increase the life of the machine and optimize consumption
- Optimizing the warehouse forecast allows to limit waste and limit transport.

Inclusive growth

- New skilled people required such as data scientists, IT, electronic.

Benefits

- Warehouse optimization
- Customer service improvement

Supporting technology

- Engine management
- Smart battery
- Datalogger
- Cloud management and data analysis
- Smartphone connection

Acquisition of 30% of Agres

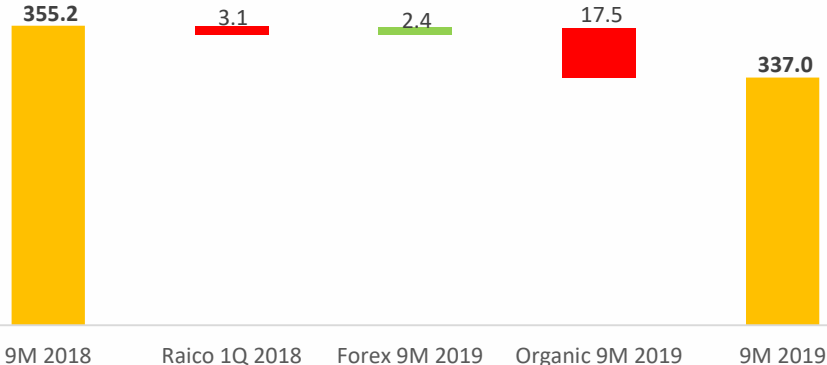
Components & Accessories - Precision Farming

- ✓ Headquarter in Pinais (Paraná), Brasil
- ✓ Activity: development and supply, mainly on the local market, of electronic systems (software, hardware and related services) for agricultural machines (spraying and weeding machines and seeders)
- ✓ Value of the transaction: 11.7 million Reais (approximately 2.8 €m)
- ✓ Further agreements: Put & Call Option on a further 55% stake to be exercised in 2023.
- ✓ 2018 company results: sales of 21.7 million Reais.



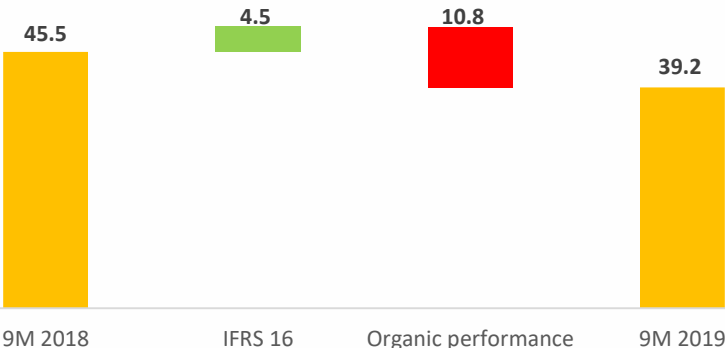
9M 2019 highlights

Sales €m



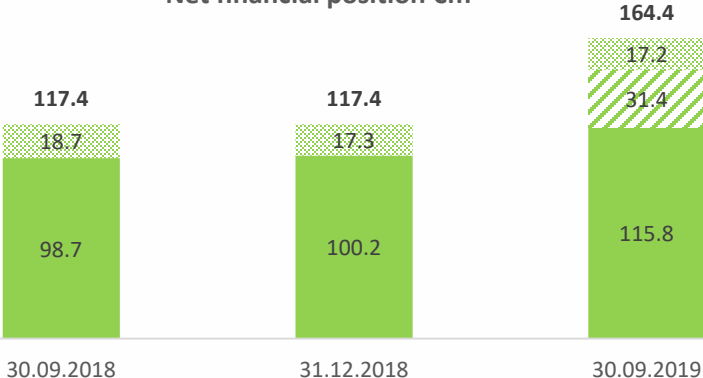
Net sales: recovery in 3Q +5.9%, cumulative decrease of 5.1%

EBITDA Adjusted €m



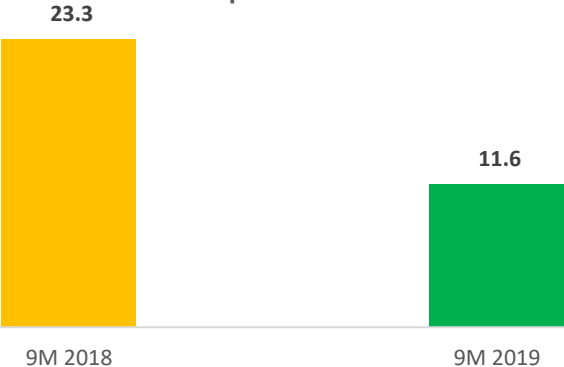
EBITDA: lower sales volumes, higher raw material and growth initiatives costs. IFRS 16 effect of 4.5 €m

Net financial position €m



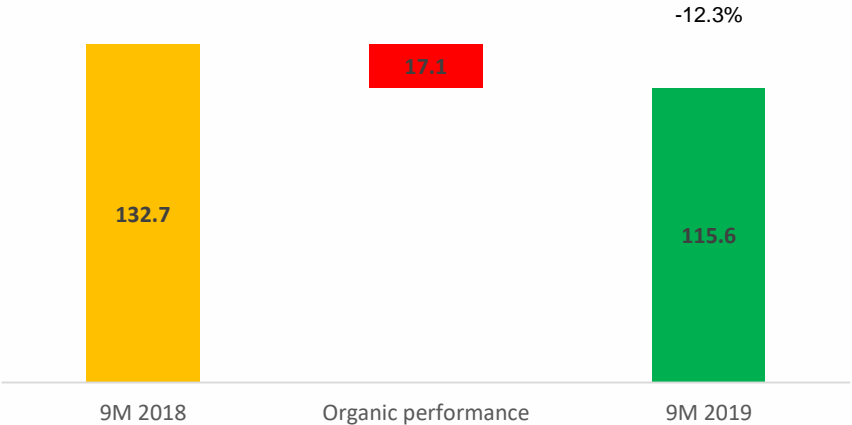
Net debt: Figure includes commitments of 17.2 €m to acquire minority interests in subsidiaries. IFRS 16 effect of 31.4 €m

Net profit €m

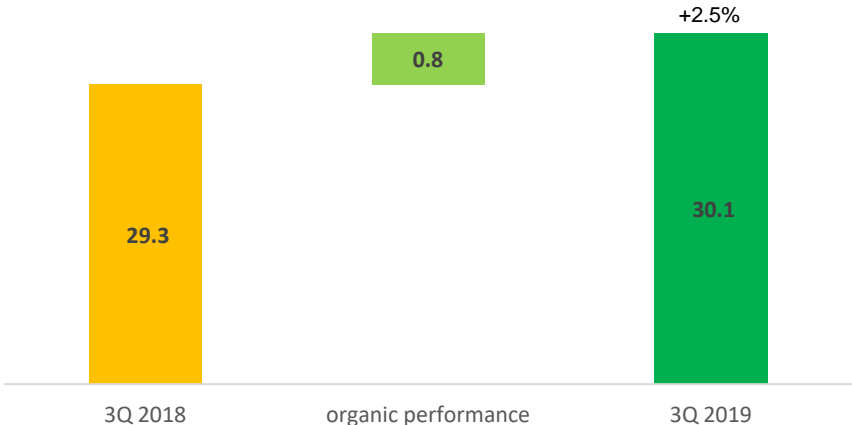


Financial income: 2018 figure included financial capital gain for 2.5 €m. 2109 figure includes a loss of 2.1€m for the reduction of goodwill valuation.

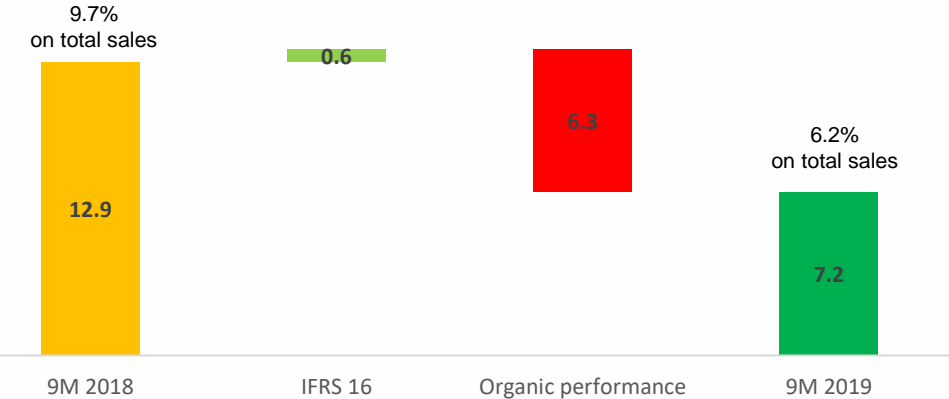
Sales to third parties €m
9M



Sales to third parties €m
3Q



EBITDA Adjusted €m



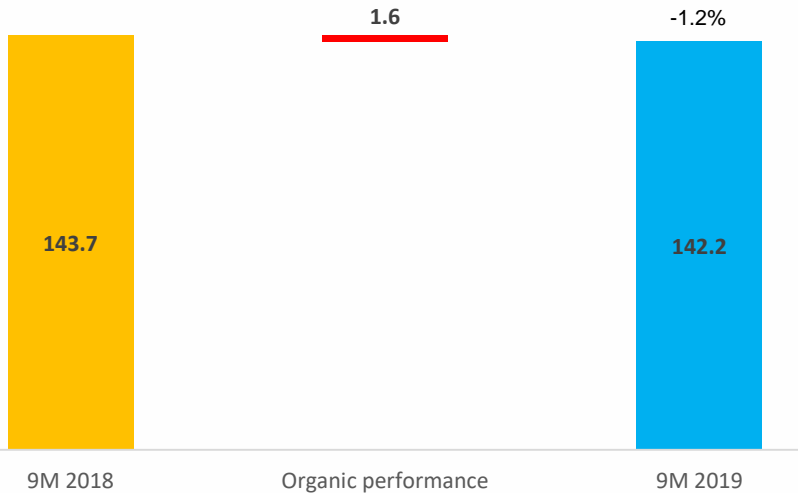
Third quarter:

- ✓ Net sales increase of 2.5%
 - Positive performance on European markets
 - Weak Turkish market

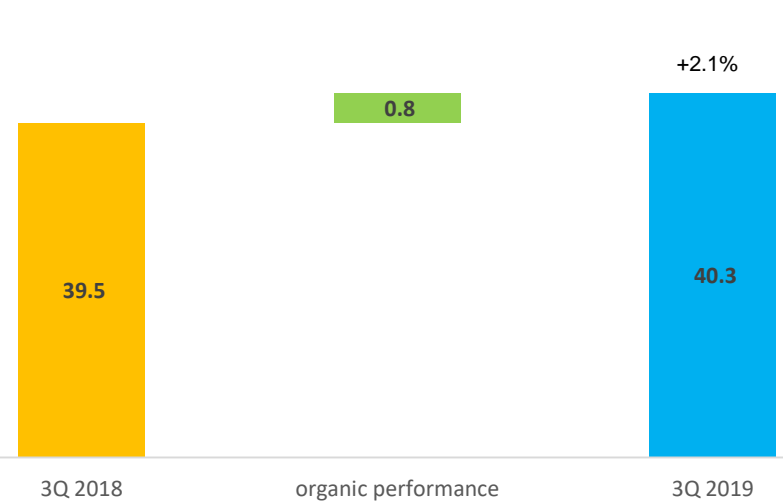
Nine months

- ✓ Sales decrease of 12.3%
- ✓ EBITDA decrease due to lower sales volumes and negative mix, in spite of costs' reduction.

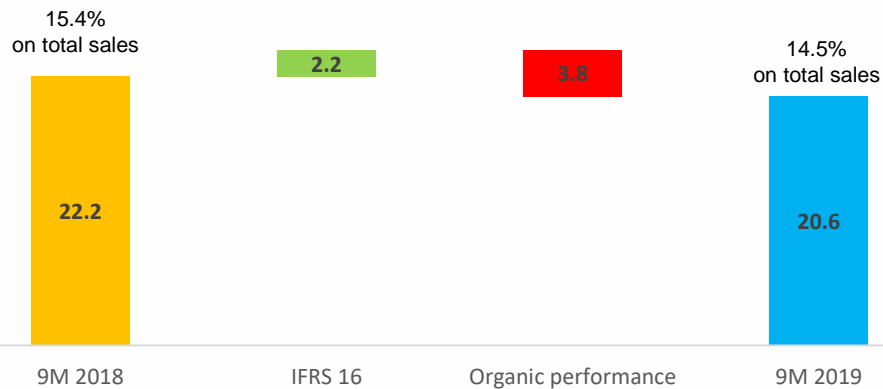
Sales to third parties €m
9M



Sales to third parties €m
3Q



EBITDA Adjusted €m



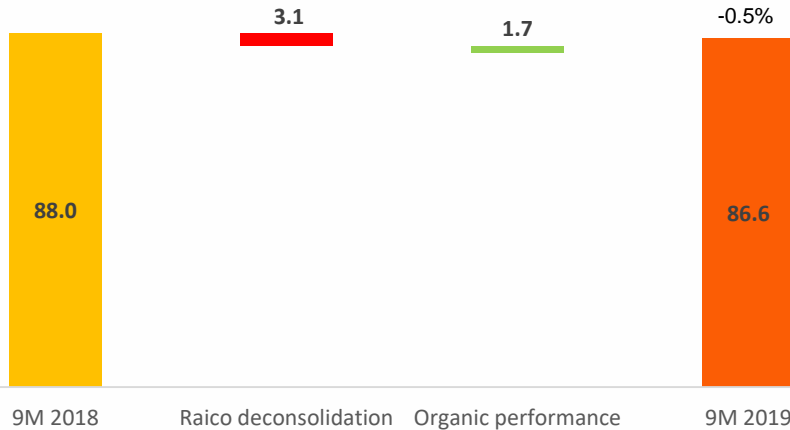
Third quarter

- ✓ Net sales increase of 2.1%
 - Slight decrease in Europe, mainly for cleaning products
 - Increase of turnover for industrial products in Latin America
 - Positive performance in Far East

Nine months

- ✓ Sales decrease of 1.2%
- ✓ EBITDA declined due to higher raw material costs, negative mix and higher marketing and organization reinforcement's costs.

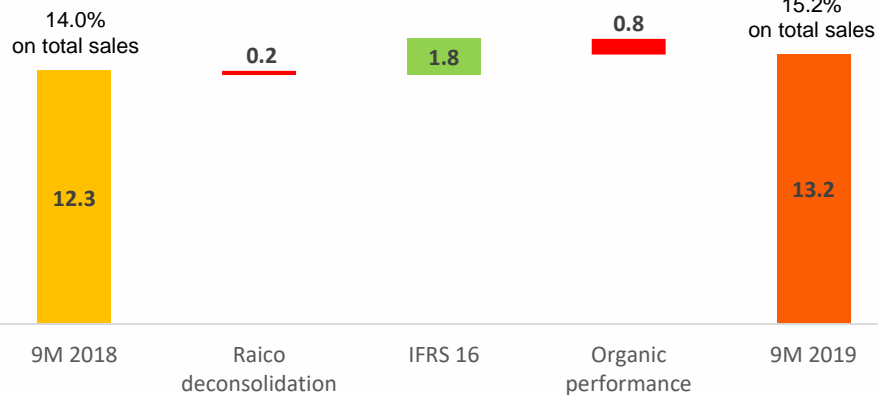
Sales to third parties €m
9M



Sales to third parties €m
3Q



EBITDA Adjusted €m



Third quarter

- ✓ Net sales increase of 18.4%
 - Positive performance on North America market thanks to DIY and OEM business
- ✓ EBITDA improvement thanks to higher sales volumes and favourable raw material cost's trend

Nine months

- ✓ Net sales growth of 3.5% excluding Raico contribution in 1Q 2018
- ✓ EBITDA penalized by first half decrease: lower sales volumes, increase in the costs of raw materials, unfavorable product mix

Consolidated income statement

FY 2018	€m	9M 2019 no IFRS 16	IFRS 16 impact	9M 2019 IFRS 16	9M 2018
452.8	Revenues from sales	337.0		337.0	355.2
5.5	Other operating incomes	2.6		2.6	4.0
4.6	Change in inventories	(5.4)		(5.4)	0.5
(243.2)	Raw materials, consumables and goods	(174.1)		(174.1)	(187.6)
(83.3)	Personnel expenses	(60.7)		(60.7)	(62.4)
(87.0)	Other operating costs and provisions	(65.1)	4.5	(60.6)	(65.5)
49.4	EBITDA	34.3	4.5	38.8	44.1
(15.5)	Amortization, depreciation and impairment losses	(14.4)	(4.0)	(18.4)	(11.0)
34.0	Operating result	19.9	0.5	20.4	33.1
5.3	Financial income	0.3		0.3	3.3
(4.8)	Financial expenses	(3.7)	(0.7)	(4.4)	(3.5)
0.1	Exchange gains and losses	1.2		1.2	(0.4)
0.3	Income from/(expenses on) equity investment	0.1		0.1	0.2
34.9	Profit before taxes	17.8	(0.3)	17.5	32.7
(9.2)	Income taxes			(5.9)	(9.3)
25.6	Net profit			11.6	23.3
(0.3)	(Profit)/loss attributable to non controlling interests			(0.1)	(0.2)
25.4	Net profit attributable to the Group			11.5	23.1

Consolidated balance sheet - Assets

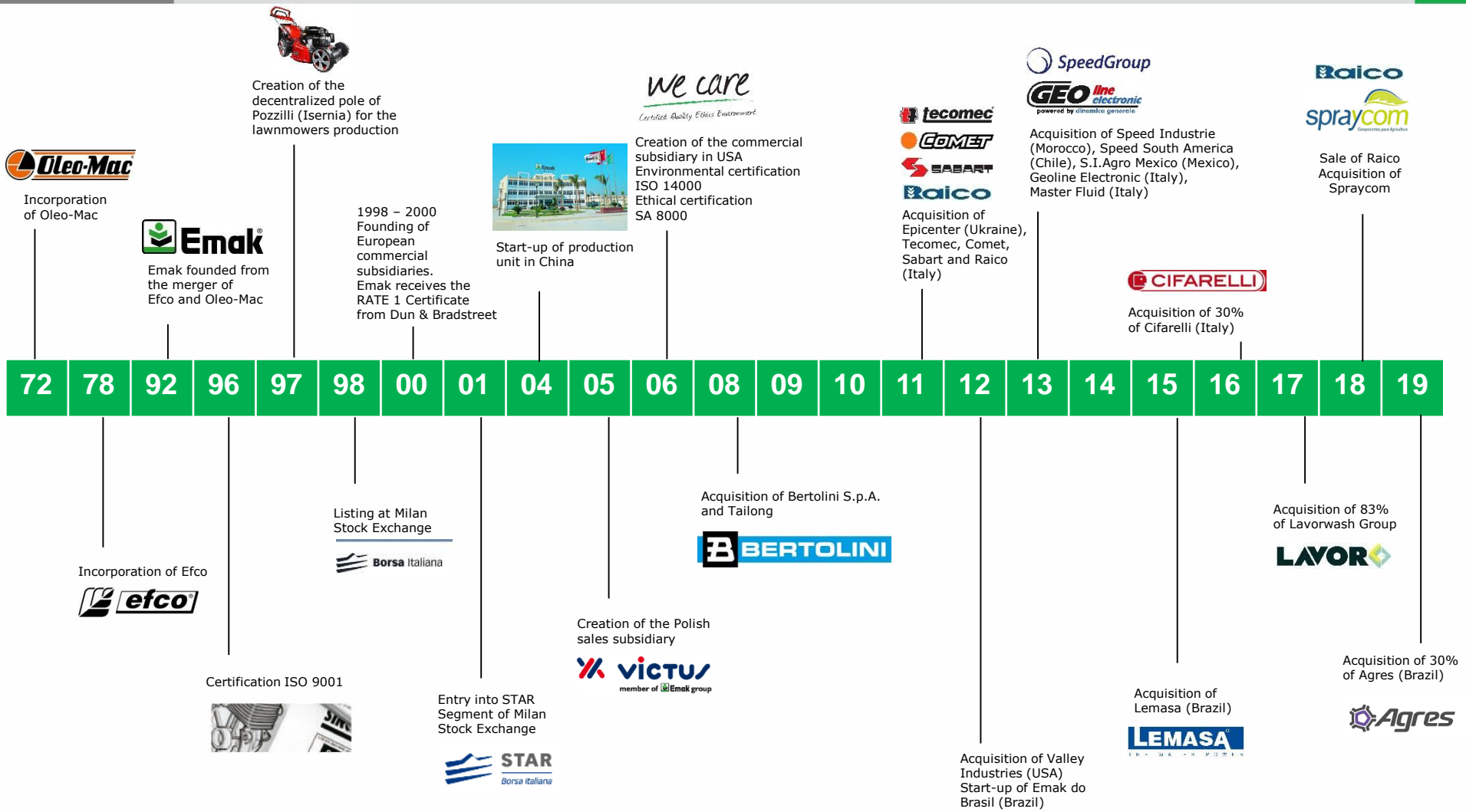
31.12.2018	€m	30.09.2019	30.09.2018
	Non-current assets		
75.4	Property, plant and equipment	76.7	72.6
20.2	Intangible assets	20.8	19.5
-	Rights of use	30.9	-
65.8	Goodwill	64.1	65.7
0.2	Equity investments in other companies	0.0	0.2
4.6	Equity investments in associates	7.4	4.4
8.5	Deferred tax assets	8.3	8.0
2.5	Other financial assets	2.4	1.5
0.1	Other assets	0.1	0.1
177.2	Total non-current assets	210.7	172.1
	Current assets		
156.7	Inventories	152.6	151.9
108.3	Trade and other receivables	105.8	107.3
6.0	Current tax receivables	4.3	5.1
0.6	Other financial assets	0.4	1.5
0.3	Derivative financial instruments	0.3	0.1
62.6	Cash and cash equivalents	49.7	73.3
334.5	Total current assets	313.1	339.2
511.7	TOTAL ASSETS	523.8	511.3

Consolidated balance sheet - Liabilities

31.12.2018	€m	30.09.2019	30.09.2018
	Shareholders' Equity		
203.7	Shareholders' Equity of the Group	208.8	200.1
2.1	Non-controlling interest	1.9	2.1
205.8	Total Shareholders' Equity	210.7	202.2
	Non-current liabilities		
113.3	Loans and borrowings due to banks and others lenders	109.9	127.5
-	Liabilities for leasing	26.5	-
8.4	Deferred tax liabilities	8.4	9.2
8.8	Employee benefits	8.2	9.1
2.2	Provisions for risks and charges	2.3	2.2
0.5	Other non-current liabilities	0.5	0.5
133.1	Total non-current liabilities	155.7	148.5
	Current liabilities		
95.9	Trade and other payables	69.8	87.5
4.9	Current tax liabilities	4.8	5.0
69.4	Loans and borrowings due to banks and others lenders	74.6	66.0
-	Liabilities for leasing	5.0	-
0.6	Derivative financial instruments	1.4	0.3
1.9	Provisions for risks and charges	1.8	1.8
172.7	Total current liabilities	157.4	160.6
511.7	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	523.8	511.3

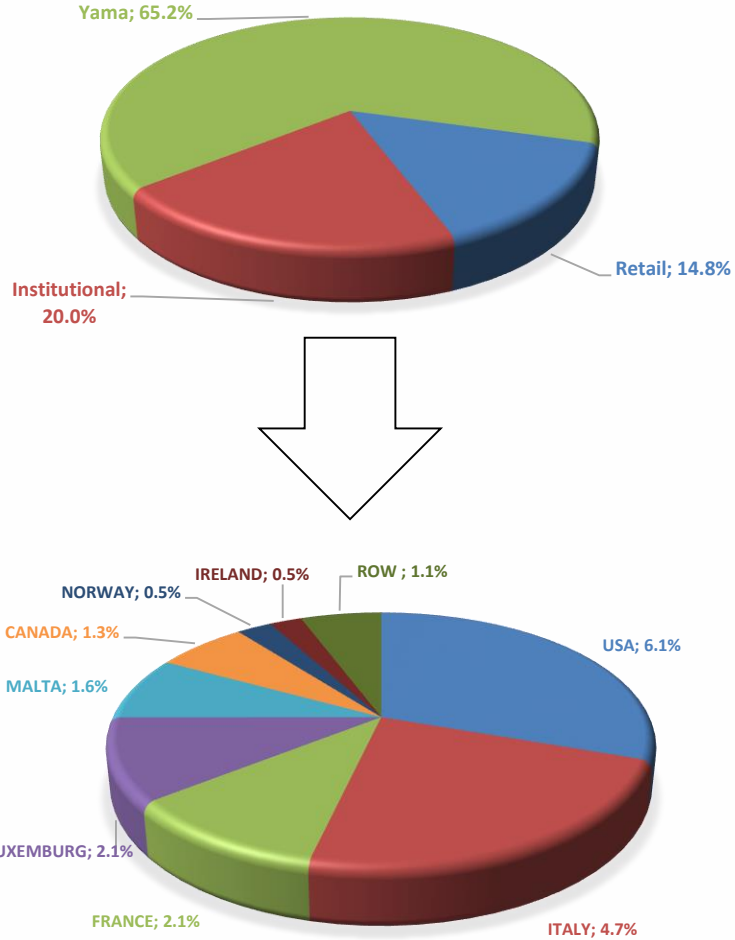
Appendix

Emak Group – Our History



Main shareholders **Share of capital %**

Yama S.p.A.	65.2%
FMR LLC	5.0%
Treasury shares	0.2%



Synthesis of results

€m	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011 PF	2012	2013	2014	2015	2016	2017	2017 PF	2018
Sales	84.4	89.5	133.0	146.7	147.0	152.7	163.2	183.4	208.4	217.8	243.4	194.9	206.8	204.4	357.0	354.8	355.0	354.8	381.6	391.9	422.2	461.8	452.8
EBITDA adj	12.9	12.8	16.0	20.6	22.9	23.9	22.6	22.3	25.1	30.0	31.7	21.7	21.3	19.6	37.8	31.7	34.2	33.1	37.5	40.5	45.6	52.5	50.8
margin	15.3%	14.3%	12.0%	14.1%	15.6%	15.7%	13.9%	12.1%	12.1%	13.8%	13.0%	11.1%	10.3%	9.6%	10.6%	8.9%	9.6%	9.3%	9.8%	10.3%	10.8%	11.4%	11.2%
EBIT adj	9.3	8.1	10.6	14.8	16.8	17.5	16.3	17.0	19.8	24.5	24.9	14.9	13.9	12.5	25.8	19.6	22.4	21.7	25.0	22.9	31.7	38.1	36.3
margin	11.1%	9.0%	8.0%	10.1%	11.4%	11.5%	10.0%	9.3%	9.5%	11.2%	10.2%	7.6%	6.7%	6.1%	7.2%	5.5%	6.3%	6.1%	6.5%	5.8%	7.5%	8.2%	8.0%
Net profit	5.5	3.9	6.2	7.9	9.0	9.6	9.0	9.6	11.3	15.2	14.9	9.4	11.6	5.8	13.0	8.6	10.5	10.2	9.0	17.7	16.4	20.6	25.6
margin	6.5%	4.4%	4.7%	5.4%	6.1%	6.3%	5.5%	5.2%	5.4%	7.0%	6.1%	4.8%	5.6%	2.8%	3.6%	2.4%	3.0%	2.9%	2.4%	4.5%	3.9%	4.5%	5.7%
FCF from operations	9.1	8.6	11.6	13.7	15.1	16.0	15.3	14.8	16.7	20.8	21.6	16.2	19.0	12.9	25.0	20.8	22.4	21.7	21.5	35.3	30.4	35.0	40.1
Net Equity	42.1	44.8	48.8	53.8	59.3	65.1	69.8	75.4	81.9	91.4	99.4	104.6	114.0	140.1	140.1	145.0	150.8	160.1	168.5	181.7	187.5	187.5	205.8
Net fin. debt	3.2	5.5	14.3	26.4	19.1	21.1	16.4	25.8	37.9	31.0	61.8	38.0	27.4	97.3	97.3	99.9	76.4	79.0	99.4	80.1	125.3	125.3	117.4
Net capital employed	45.3	50.3	63.1	80.3	78.5	86.2	86.3	101.2	119.7	122.5	161.2	142.6	141.4	237.4	237.4	244.9	227.2	239.1	267.9	261.8	312.8	312.8	323.2
NWC	27.5	32.1	43.7	55.6	54.2	60.2	59.3	66.4	81.8	81.1	103.2	82.9	83.7	157.5	157.5	155.9	142.2	148.6	154.6	145.6	161.8	161.8	168.3
Debt/Equity	0.1	0.1	0.3	0.5	0.3	0.3	0.2	0.3	0.5	0.3	0.6	0.4	0.2	0.7	0.7	0.7	0.5	0.5	0.6	0.4	0.7	0.7	0.6
Debt/EBITDA adj	0.2	0.4	0.9	1.3	0.8	0.9	0.7	1.2	1.5	1.0	2.0	1.8	1.3	5.0	2.6	3.1	2.2	2.4	2.7	2.0	2.7	2.4	2.3

* Calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses"

1998-1999: Creation of 5 commercial branches in Western Europe. **2004:** Establishment of Emak Jiangmen, production plant in China. **2005:** Creation of Victus, commercial branch in Poland. **2006:** Creation of Emak U.S.A. commercial branch in USA. **2008:** Acquisition of Bertolini and Tailong (cylinder manufacturer) **2011:** Acquisition of Epicenter (Ukraine), Tecomet, Comet, Sabart and Raico **2012:** Start-up of Emak do Brazil, acquisition of Valley in USA **2014:** Acquisition of Speed Industrie Sarl (Marocco), S.I.Agro Mexico, Geoline Electronic, Master Fluid, Speed South America (Chile) **2015:** Acquisition of Lemasa (Brazil) **2016:** Acquisition of 30% of Cifarelli S.p.A. **2017:** Acquisition of Lavorwash Group **2018:** Sale of Raico; acquisition of Spraycom

Aimone Burani, the executive responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the financial statements contained in this presentation correspond to the underlying accounting documents, records and accounting entries.



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